

BUREAU OF AUTOMOTIVE REPAIR

INITIAL STATEMENT OF REASONS

HEARING DATES:

August 7 & 9, 2002

**SUBJECT MATTER OF
PROPOSED REGULATIONS:**

Gold Shield Program.

SECTIONS AFFECTED:

§§ 3340.1 and 3392.1 - 3392.6 of Title 16,
Division 33, Chapter 1, of the California
Code of Regulations.

SPECIFIC PURPOSE OF REGULATORY PROPOSAL:

This regulatory proposal is designed to establish a program, which will be called the “Gold Shield” program. The Gold Shield Program will provide for the voluntary certification of licensed Test-and-Repair Smog Check stations. The certified stations shall provide consumers, whose vehicles fail an emissions test at a Test-Only facility, the option of receiving repair and certification services at a single location to prevent the necessity of additional trips back to the Test-Only facility for vehicle certification. Health and Safety Code section 44014.2 requires that the Bureau of Automotive Repair (BAR) establish such a program.

In addition, this regulatory proposal is designed to permit licensed Test-and-Repair Smog Check stations, with Gold Shield certification, to provide consumers, whose vehicles fail the tailpipe portion of the emissions test within the gross polluter emission standards, the option of receiving repair and certification services at a single location. This will eliminate the necessity of multiple trips to licensed Smog Check Test-and Repair facilities for emission-related repairs and multiple trips back to Test-Only facilities for vehicle certification. Health and Safety Code section 44014.5, in subsections (g) and (i), requires that the BAR establish such a program.

The purpose of the Gold Shield program is to:

- Reduce the complexity of the Smog Check Program by allowing a certified group of Smog Check stations to offer consumers a wide array of inspection and repair services.

- Encourage consumer confidence in the required emissions inspections and repairs by the establishment of inspection and repair performance standards that stations must meet or exceed to receive and retain their certification as Gold Shield.
- Improve the inspection and repair performance of all Smog Check stations since the identification and proper repair of high emitting vehicles is fundamental to the improved effectiveness of the Smog Check Program.
- Help achieve the emissions reduction objectives established in the State Implementation Plan and help the Smog Check Program meet equivalency with federal regulatory standards.

The proposed action will make the following changes to existing regulation:

1. Amend Section 3340.1 by changing the title in subsection (q) to "Gold Shield Station." This conforms to other changes made in the proposed action.
2. Amend Section 3340.1 by deleting subsections (r), which refers to a station's "Re-inspection Rate" and "Ping-Pong rate," and adding a new subsection (r) which defines the term "Comparative Failure Rate." This conforms to other changes made in the proposed action.
3. Amend Section 3340.1 by deleting subsection (s), which refers to "Offline Certification," and adding a new subsection (s) defining the term "Non-directed Vehicle." This conforms to other changes made in the proposed action.
4. Amend Section 3340.1 by adding a new subsections (t), defining the term "Initial Test," renumbering the existing subsection (t) as subsection (u), and deleting the existing subsection (u) which refers to a "Gold Shield Gross Polluter Certification (GPC) station." This conforms to other changes made in the proposed action.
5. Amend Section 3392.1 by deleting the existing provisions relating to the "Gold Shield Guaranteed Repair (GSGR) Program" and replacing them with a basic description of and statement of purpose for, the new "Gold Shield Program (GSP)."
6. Amend Section 3392.2 by deleting the existing provisions relating to the "Causes for Denial of a GSGR Station Application" and replacing them with a description of the responsibilities of a certified Gold Shield station.
7. Amend Section 3392.3 by deleting the existing provisions relating to "Gold Shield Guaranteed Repair (GSGR) Program Performance Standards" and replacing them with a description of the eligibility requirements for certification as a Gold Shield station.

8. Repeal Section 3392.4 thereby deleting the existing provisions relating to “Gold Shield Guaranteed Repair (GSGR) Program Advertising Rights,” and incorporate revised provisions for Gold Shield stations in Section 3392.2, as specified.
9. Amend Section 3392.5 by deleting the existing provisions relating to “Gold Shield Guaranteed Repair (GSGR) Station Withdrawal of Certification” and replacing them with the causes and procedures for invalidation of Gold Shield certification.
10. Amend Section 3392.6 by extending the time period for scheduling a hearing on the denial or invalidation of Gold Shield certification from 30 to 60 days, and making other conforming, editorial and grammatical changes, as specified.

FACTUAL BASIS:

In July of 2000, the California Air Resources Board (ARB) released a report on the effectiveness of the Smog Check Program (Program). ARB’s report indicates that while the current Program is reducing a significant amount of motor vehicle emissions, improvements to the Program must be made if California is to meet federal air quality standards.

For example, California’s current Program requires a minimum of 15% of the enhanced area vehicle population be required to obtain a Smog Check inspection at a Test-Only station. A Test-Only station is a station that is allowed to conduct a Smog Check inspection but is not allowed to perform vehicle repairs. Currently, consumers that own a Test-Only directed vehicle failing the Smog Check inspection are required to obtain vehicle repairs at another location and return to a Test-Only station for Certification.

Consumer vehicles that fail the Smog Check inspection (at any station) at approximately two times the pass/fail standard are labeled a “Gross Polluter.” California’s current Smog Check program requires a gross polluting vehicle to obtain a Smog Check Certification at a Test-Only station or at a designated Gross Polluter Certification (GPC) station. There are a limited number of GPC stations operating under an aging pilot project. The pilot project does not allow for adequate station coverage and due to the limited number of stations, often cause consumers to travel long distances to obtain certification.

The BAR developed the Consumer Assistance Program (CAP) in an effort to assist low-income consumers and Test-Only directed consumers with vehicle repairs when their vehicle fails the Smog Check inspection. The current Program requires that the vehicle be returned to a Test-Only station to receive certification.

The marriage of Gold Shield and CAP allows the low-income consumer and/or the test-only directed consumer to obtain repairs and vehicle certification at one location. The Gold Shield and CAP programs have a common bond through the repair of failed test-only directed vehicles. Every test-only directed vehicle that fails inspection qualifies for

CAP and can be certified without returning to a Test-Only Station, provided that repairs are performed by a Gold Shield Station.

Underlying Data:

- *Revised State Implementation Plan for California's Motor Vehicle Inspection & Maintenance Program*, California Department of Consumer Affairs, Bureau of Automotive Repair, December 1995
- *Evaluation of California's Enhanced Vehicle Inspection and Maintenance Program (Smog Check II)*, California Air Resources Board, July 2000
- *Performance of Gold Shield Stations: Analysis and Recommendations*, Eastern Research Group, Inc. and de la Torre Klausmeier Consulting, Inc., July 2001

Business Impact:

These regulations will not have a significant adverse economic impact on businesses.

Specific Technologies or Equipment:

These regulations do not mandate the use of specific technologies or equipment.

Consideration of Alternatives:

No reasonable alternative which was considered or that has otherwise been identified and brought to the attention of the Bureau would be either more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed regulation.

No reasonable alternative has been considered or identified.